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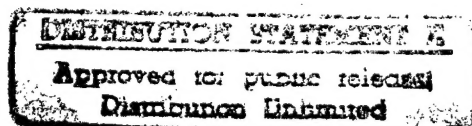
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DRAFT OF 1959 ECONOMIC PLAN FOR SZECHWAN

-COMMUNIST CHINA-

By LI Pin

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DRAFT OF 1959 ECONOMIC PLAN FOR SZECHWAN

Report presented at the Second Session of
the Second Szechwan Provincial People's
Congress on 24 June 1959.

[The following is a full translation of a speech delivered by LI Pin, Deputy Governor, Szechwan Provincial Government, and concurrently Director of the Szechwan Provincial Planning Commission. It appeared in the Szu-ch'uan Jih-pao (Szechwan Daily), Ch'eng-tu, 25 June 1959, page 2.]

Delegates:

On behalf of the Provincial People's Council I am presenting a report on the draft of the 1959 economic plan for discussion at the Congress.

(I)

In 1958 the people of Szechwan Province, under the correct leadership of Chairman Mao and the State Council, marched on victoriously along the route set by the Party's general line of socialist construction, achieved glorious success on all fronts of the national economy and realized an unprecedented, all-out great leap forward.

In 1958, the gross value of industrial and agricultural production in Szechwan reached 16,318,000,000 yuan, thereby increasing 63.8 percent over the 1957 total. The production of various industries, led by the iron and steel industry, achieved a rapid rate of development.

The gross value of industrial production (including handicraft industry) reached 6,668,000,000 yuan,

an increase of 55.7 percent as compared with 1957. Out of the gross value of industrial production, the value of producer's goods output accounted for 3,667,000,000 yuan and consumer's goods constituted 3,001,000,000 yuan.

The output of principal industrial products registered the following increases over 1957; steel production (including steel produced by native methods) increased by 98.8 percent to 702,900 tons; pig iron production increased by 195.3 percent to 838,800 tons; coal production increased by 162.5 percent to 20,280,000 tons; electricity increased by 58.3 percent to 1,070,000 kilowatt hours; cotton yarn production increased by 65.8 percent to 274,000 bales; paper and paper board production increased by 41.7 percent to 132,000 tons.

In agriculture a high-yield bumper harvest was reaped. The gross value of agricultural production amounted to 9,650,000,000 yuan, representing an increase of 69.9 percent over the 1957 figure. Grain production totaled 90 billion chin, up 93.5 percent; while cotton production totaled 2.5 million tan, up 78.6 percent. The output of other agricultural products also showed great increase as compared with 1957.

Forestry, water conservancy work and meteorology undertakings also achieved rapid rates of development. The scale and speed of capital construction surpassed that of any of the preceding years. Total investment in 1958 reached one billion yuan, an increase of 125.0 percent over 1957. Great success was achieved in geological survey work with the discovery of known mineral reserves greatly surpassing that found in 1957.

In adapting to the needs of an all-out leap forward in industrial and agricultural production, communications, transportation and postal and telecommunication undertakings also cored rapid advancement.

Following the expansion of production and a rise in the people's purchasing power in the urban and rural areas, the flow of commodities greatly expanded.

Simultaneous with the great leap forward in industrial and agricultural production, the cultural, education and health undertakings also made rapid progress in 1958.

The enrollment of students in institutions of higher education in Szechwan Province reached 42,076, which represented an increase of 42.2 percent over 1957; in middle schools it reached 661,000, rising by 24.9 percent; and in primary schools it reached 9,340,000, up 44.2 percent.

In addition, medical care and health protection for the people in the urban and rural areas throughout the province were further improved, and the number of various kinds of medical care establishments increased to 2.4 times those existing in 1957.

Following the great leap forward in industrial and agricultural production and the rapid advance of socialist consciousness on the part of the broad masses of peasants, the people's communes came into being throughout the great rural area of the province in the fall of 1957.

At the end of 1958, 5,096 people's communes had been organized in Szechwan Province with over 99.0 percent of the peasant population participating in them.

The great leap forward in the economy of Szechwan Province in 1958 is the result of correct enforcement of the Party's general line of socialist construction and the policy of "walking on two legs," and of hard work by the people in the province under the leadership of the Party.

Through the great leap forward in 1958 we have acquired abundant experience which will serve as a firm foundation for rapid economic development in the province and open a route for further expansion in industrial and agricultural production in the future. This will make possible our continuing ability to leap forward and to achieve great victory in 1959.

(II)

In 1959 the various sectors of the economy of Szechwan Province will continue to leap forward on the foundation of the great leap forward which was established in 1958. The present draft of the 1959 economic plan for Szechwan Province presented for discussion and approval at the Provincial People's Congress fully reflects the leap forward situation in socialist construc-

tion in the province, and indicates a still greater leap forward [in 1959] than occurred in 1958.

The draft plan is prepared in accordance with the Party's general line for socialist construction and the set of policies of "walking on two legs" which implies the simultaneous development of industry, agriculture and commerce, and the simultaneous development of heavy industry and light industry, with priority being given to the expansion of heavy industry.

This is to be done on the basis on targets set by the State and the actual situation in the province which determines the implementation.

It is now presented after having been discussed and passed at the Tenth Plenary Session of the First Szechwan Provincial Committee of the Chinese Communist Party.

Some target figures contained in the draft plan have been slightly changed from those presented at the Ninth Plenary Session of the First Szechwan Provincial Committee of the Chinese Communist Party at the beginning of this year.

Since Governor LI Ta-chang has already stated clearly the revision of proposed target figures in his report, I shall refrain from repeating it. The draft plan, based on the principle of orderly, proportional development of the national economy, indicates comprehension and balance with respect to different needs and possibilities; embodies the high spirit of the people in Szechwan Province during the period of great leap forward and gives due attention to material and technical conditions; and ensures the carrying out of key projects and guides the undertaking of general activities.

As a result, the targets set for the various sectors in the draft plan are of a positive nature and should be realizable through the endeavor of the people of the province.

The draft plan which has already been discussed and passed at the Sixth Plenary Session of the Second Szechwan Provincial People's Council is now presented for discussion and decision at the Provincial People's Congress. The principal content of the draft plan is as follows:

The gross value of industrial and agricultural production is set at 21 billion yuan, an increase of

28.7 percent as compared with 1958. Of the gross value of industrial and agricultural output the total output value of industry and handicraft industry accounts for nine billion yuan, an increase of 34.9 percent over 1958; and the total value of agricultural output amounts to 12 billion yuan, an increase of 24.4 percent over 1958. The speed of development of industry and agriculture set in the draft plan reflects the enforcement of the Party's policy of simultaneous expansion of industry and agriculture.

Industrial production: In pursuing industrial production in 1959 we shall continue to enforce the policy of "centering on steel production in order to leap forward on all fronts." Prior attention is being given to the development of raw materials for the manufacture of iron and steel, fuel, and for the motive power industry.

This is because steel production constitutes the main material condition for ensuring an all-out leap forward in the various sectors of the national economy. At the same time, the mechanized processing industry, the chemical industry, light industry and the handicraft industry are also to be properly organized and developed.

Steel and steel products provide the principal materials required for the development of production and the transformation of technology in the various sectors of industry and communications and the basic materials for capital construction.

In addition, they guarantee the gradual realization of mechanized agriculture. The draft plan sets steel production in 1959 at 1,070,000 tons, an increase of 367,000 tons over 1958, and pig iron production at 1,750,000 tons, which is an increase of 911,000 tons over the 1958 level.

The coal and electric power industries affect the production of many other industries and the various sectors of the national economy and should, therefore, be greatly developed. The draft plan sets the targets for coal output in 1959 at 35 million tons, an increase of 14,720,000 tons over 1958; and the output of electricity is to be 1,550,000,000 kilowatt hours, an increase of 480,000,000 kilowatt hours over 1958.

The production plan for the machine industry is aimed at ensuring the fulfillment of targets in the

output of steel, coal, grain, and cotton. It should, therefore, be given adequate attention and overall arrangement should be made. Priority should be given to guaranteeing the supply of equipment for refining steel and iron, cleaning coal, distilling coke, and for use in electric power stations and mines. At the same time, attention should also be given to the supply of agricultural machines and equipment for processing the by-products of agriculture.

Adequate arrangements are also to be made for the supply of equipment, accessories and spare parts needed by the different sectors of industry and communications and also in the [general] market.

The draft plan sets the following output increases to be achieved in 1959 as compared with 1958; heavy machines up 20.7 percent; complete sets of electricity-generating equipment up 36.9 percent; general alternating current electricity-generators up 81.7 percent; transformers up 50.6 percent; and metal-cutting lathes up 46.0 percent.

In view of the great increase in agricultural production this year, the output of machines for processing agricultural products and subsidiary products should be greatly expanded.

In this connection, the production of major equipment which has already been arranged includes: 3,000 sets of flour processing equipment, 300 sets of oil-squeezing equipment and 340 sets of sugar-refining equipment. In addition, necessary arrangements have also been made with respect to the supply of equipment for processing cotton.

The chemical industry will also be developed. Based on the ever increasing needs of industrial and agricultural production and the daily requirements of the people, the draft plan sets the following production targets: sulfuric acid at 18,500 tons, an increase of 53.2 percent over 1958; pure soda at 5,000 tons, an increase of 39.0 percent over 1958; and caustic soda at 16,900 tons, up 18.1 percent over 1958.

In addition, there will also be increases of varying degree in the output of various chemical products such as drugs, agricultural medicines and rubber goods, and in the trial production of various chemical medicines.

The leap forward in the production of agriculture and heavy industry provides the necessary conditions for the development of light industry, and makes possible the continuing leap forward in light industry on the basis of the great leap forward achieved in 1958.

The draft plan sets the target for cotton yarn production at 276,000 bales, and cotton cloth production at 250,000,000 meters. The production and distribution of these two products will be coordinated and kept in balance throughout the nation.

In Szechwan Province there will be great increase in their production. The output of different kinds of knitted goods will be greatly expanded, with the production of undershirts and sleeveless shirts increasing by 125.5 percent over 1958, and that of cotton and woolen shirts and pants increasing by 81.8 percent over that year.

In 1959, salt output will increase by 15.5 percent over the 1958 level and the production of matches will be up 29.6 percent as compared with 1958.

According to the plan as mentioned above, the output value of the producer's goods industry in 1959 will reach 5,260,000,000 yuan, an increase of 43.4 percent over the 1958 total, and that of the consumer's goods industry will reach 3,740,000,000 yuan, an increase of 24.6 percent as compared with 1958.

The draft plan is to implement the Party's policy of enforcing simultaneous expansion of heavy industry and light industry on the basis of giving priority to the development of heavy industry.

Capital construction: In 1959, the plan for capital construction in Szechwan Province is aimed at ensuring the carrying out of key projects through concentrated effort, and at the same time giving attention to balanced growth in the various sectors so as to meet general needs.

According to the plan, the total investment in local capital construction to be appropriated through the budget will reach 1,080,000,000 yuan (including projects transferred from 1958).

Of the total investment the investment in industry amounts to 78.3 percent. The investment in other sectors is also properly arranged in accordance with their needs for development. The putting into production of principal construction units in 1959 will

assume a very important function in further developing industrial and agricultural production in the province.

Agricultural production: The draft plan is to enforce the policy of centering on increased grain production and expanding multiple operations pertaining to agriculture, forestry, animal husbandry, fisheries and subsidiary production.

According to the draft plan, grain production in 1959 will reach 126,000,000,000 chin, an increase of 36,000,000,000 chin or 40.0 percent over the 1958 level, and cotton output will reach 3,300,000 tan, an increase of 32.0 percent over the 1958 figure. The output of other industrial crops will also be greatly expanded.

The draft plan embodies arrangements for continued development of multiple operations. Particular attention is given to the vigorous expansion of the output of pigs, and to the various other kinds of domestic animals and fowl. Attention is also given to arrangements for the production of vegetables and subsidiary food for consumption by the people in cities and industrial and mining districts, so as to speed up the increase in the supply of agricultural products to meet the needs of the people in the urban and rural areas.

In 1959, there will also be development in the work of forestry, water conservation and meteorology.

Communications and transportation: Following the development of industrial and agricultural production and capital construction, the volume of freight will be greatly increased.

Therefore, we should enforce the policy of employing transportation in the service of industry, agriculture, and commerce in order to satisfy the transportation needs of these sectors.

According to the draft plan, the volume of commodities to be transported in 1959 will reach 123,500,000 tons, an increase of 52.1 percent over 1958, and the volume of freight will reach 8,317,000,000 ton-kilometers, an increase of 24.7 percent as compared with that in 1958. Tele-communications and postal services will also undergo tremendous expansion.

Commerce: In accordance with the policy of simultaneous expansion of industry, agriculture and commerce, the circulation of commodities will be greatly increased in order to speed up the development of industrial and agricultural production and improve the economic life of the people.

The draft plan prescribes that in 1959 the total amount of consumer retail sales (not including trade among the peasants) will reach 4,689,000,000 yuan, an increase of 21.1 percent as compared with that in 1958. The various kinds of principal commodities supplied through commercial agencies will also be greatly increased during the same period.

Cultural, educational and health undertakings: In adapting to the needs of socialist construction, cultural, educational and health undertakings will enjoy further development and improvement. According to the draft plan, in 1959 the institutions of higher education will enroll 18,770 new students with the total enrollment reaching 55,746; middle schools will enroll 245,000 new students (not including students enrolled in middle schools established by the people themselves) with the total enrollment reaching 630,000; and primary schools will enroll 3.2 million new students with the total enrollment reaching 10.5 million (including students in primary schools established by the people). Scientific research, cultural, health and athletic activities will also be greatly developed.

(III)

The draft of the 1959 economic plan for Szechwan Province calls for a greater leap forward than occurred in 1958. With fulfillment of the various targets set in the plan, the production of industry and agriculture in the province will reach a higher level, economic characteristics will reveal a great change, and cultural, educational and health undertakings will be greatly expanded and the life of the people will be improved, thus laying an excellent foundation for the continuing leap forward in 1960.

In the first five months of 1959, the over-all implementation of the plan was good. The national economy experienced rapid development and great achievements, while the broad masses revealed a high degree of enthusiasm and working spirit.

During the five months, the gross value of industrial production increased 122.68 percent as compared with that in the corresponding period in 1958, with steel output up 83.92 percent and pig iron up 424.33 percent over the production of that period.

Under the stimulation of increased steel and iron production, coal and coke output also increased. Compared with the corresponding period in 1958, coal production was up 305.00 percent and coke production was up 629.00 percent.

Among the other 34 kinds of principal industrial products, the output of power-generators, crude oil and mica increased more than 10 times over the production of the corresponding period in 1958; kinds of products including electrolytic copper, timber, alcohol, transformers and metal-cutting lathes showed increases of over 100 percent in output; eight kinds of products including electric generators sulphuric acid, sulphur, cotton yarn, cotton cloth and cured tobacco, registered increases of over 20 percent in output; and other products also showed increases of varying degrees.

The capacity of capital construction registered an increase of 130 percent during the first five months in 1959 as compared with that in the corresponding period in 1958. Communications and transportation also showed tremendous development.

In the five months, the circulation of commodities in the market was greatly expanded; with total retail sales increasing by 35.42 percent over the corresponding period.

The results achieved in the first five months of 1959 laid an excellent foundation for a continued leap forward in the national economy and fulfillment of the 1959 economic plan. In the course of implementing the plan in the first half of 1959, however, some defects and weak links were revealed which make it necessary for us to further improve our work.

For the purpose of implementing the 1959 plan, the movement aimed at increasing production and practicing economy should be extensively and penetratingly promoted. The objective of increasing production and practicing economy are to fully exploit the potential power of our productive equipment, raw materials, and financial and human resources; and to raise labor productivity, economize on raw materials, increase output, improve quality and reduce costs.

Our potential in these respects should be very great. The various local authorities, departments, enterprises, undertakings and the people's communes should vigorously mobilize the masses to carry out the technical revolution, technical innovation and other

measures so as to stir up a high tide of production to insure the complete fulfillment or over-fulfillment of the targets set in the 1959 economic plan.

With a view to realizing an all-out leap forward in the national economy in 1959, based on the experience acquired in the course of implementing the plan during the first five months of this year, emphasis should be placed on the following tasks during the remaining months of this year:

1. Make resolute guarantees in order to insure fulfillment of the target for the production of steel and iron. Great efforts should be made to increase the capacity of steel furnaces being used, to increase the degree of conformity to established grades of steel, increase the quantity and improve the quality of pig iron, and lower the costs of production.

In addition, we should reorganize and improve the production of small-sized foreign blast furnaces, and strive to develop those better equipped blast furnaces which are contingent to known mines, coal bases and factories for cleaning coal and distilling coke.

They must also have a certain supply of accessory and refractory materials, and transportation facilities and repair equipment so as to become a complex of iron manufacturing enterprises and be capable of carrying on production in an independent, self-supporting way.

2. Utilize all means to increase coal production and the quality of coke. Coal production has some bearing on the output of the iron and steel industry, light industry, the chemical industry, the development of communications and transportation, and the supply of daily household necessities.

Therefore, all possible effective measures should be employed to strengthen such work. Great efforts should be made to exploit the potential productive power of the coal industry, raise the level of production from old mines, and speed up the construction of new wells which can be put into production within a short period. Simultaneous with the increase in production, attention should be given to improvement of the quality of coal and safety in production. The various coal-using departments should seriously economize in the use of coal.

3. Regarding the arrangement of the production of the machine industry, attention should be given to the various needs of the iron and steel industry, light industry and chemical industry. Efforts should be made to turn the present semi-finished products into finished products, and to turn present finished products into complete sets.

Adequate arrangements should be made to insure the supply of machinery for processing agricultural and subsidiary products, agricultural machinery, automobile spare parts, mining equipment, coal-cleaning and coke-refining equipment, and electricity-generating equipment.

Repair equipment originally owned by the various departments should be organized into groups to meet the repair and maintenance needs in the various departments. Each administrative district and hsien should possess a set of the manufacturing and repairing facilities required to produce the machinery necessary for processing agricultural and subsidiary products and agricultural machinery, and to meet other needs within its area.

Regarding those factories which originally produced small-sized metal products to meet the needs of the market and were entrusted with repair responsibilities and have already been advanced to become manufacturing units, great efforts should be made to restore their original responsibilities or to transfer such production responsibilities to other factories.

4. Strengthen guidance and make over-all arrangements for the production of the chemical industry and light industry. For the purposes of ensuring satisfaction of the needs for chemical raw materials in industrial and agricultural production and ensuring an adequate supply to the market, the production of principal chemical and light industry products should be realistically arranged.

We should not only ensure fulfillment of the plan, but also struggle for over-fulfillment. Attention should also be given to the improvement of quality and an increase in the variety of light industry products.

In addition, we should also strive to increase the production of other daily necessities, small-sized industrial products and packing materials.

The chemical industry and light industry departments should maintain a close relationship with commercial departments in order to perform well the work of purchasing and supplying raw materials. The original connection between the rural and urban areas pertaining to the supply of industrial raw materials should be continued or restored.

Besides, new bases for the supply of raw materials should be established. Handicraft industry products are very important to the people's livelihood, and great efforts should be made to increase output and improve the quality of such products in order to meet the needs of the people.

Raw materials needed for the production of handicraft products may be supplied through self-supporting efforts of the masses, as well as through distribution by the State.

5. Great efforts should be made to strengthen communications and transportation work and thoroughly enforce the policy of ensuring the development of industry, agriculture and commerce through the expansion of transportation.

We should make great efforts to construct and repair light railways connecting factories and mines, especially coal mines, and also regular railways. The favorable conditions for developing water traffic in Szechwan Province should be fully utilized and a number of small rivers and streams should be dredged.

We should also build a large number of wooden ships, improve ship design and increase the freight capacity of ships so as to fully exploit the potential power of water transportation.

We should set up adequate transport teams in the people's communes so as to strengthen the organization and leadership of short-distance transportation. Efforts should be made to effectively utilize available cars and make orderly arrangements for freight traffic with respect to railway transportation.

As for automobile transportation, we should fully exploit the potential power of auto traffic, speed up the dispatch of cars and extensively spread knowledge of the experience gained through our work in rail traffic. We should also efficiently perform loading and unloading work by doing it quickly, and speed up the dispatch of cars and ships.

6. We should concentrate our efforts in order to fulfill or over-fulfill ahead of schedule the targets set for key projects, and adopt positive measures to enable those engineering projects which have already entered the finished stage to be put into production as early as possible. Capital construction projects not included in the plan which have been undertaken in various localities by different departments should be curtailed. We must also strengthen our examination, approval and appropriation work, and thoroughly prevent the occurrence of employing working funds for capital construction. And, we should seriously strive to ensure and improve the quality of our engineering work.

7. Utilize all means to ensure the fulfillment of the target for grain production and, at the same time, increase the output of various industrial crops, drugs, minor cereals, and a small amount of special native products.

Great efforts should be made to raise the output of small domestic fowl and animals. We should make adequate arrangements for the supply of labor to agriculture, forestry, animal husbandry, fisheries and subsidiary occupations.

In the meantime, attention should be given to the strengthening of labor control, improvement of labor organization, the innovation of tools and advancement of labor efficiency.

8. Perform well the work of purchasing and processing agricultural and subsidiary products. The work of purchasing agricultural and subsidiary products should be promptly carried out in coordination with the harvests in different seasons.

Those products designated for purchase should be purchased at the prescribed time and in accordance with standards of quality and quantity.

During the season of gathering and harvesting crops, arrangements should be made to provide the necessary labor force. Regular teams and temporary shock teams may be combined to undertake such work.

With a view to meeting the needs of processing agricultural and subsidiary products after harvests, there should be an increase in the supply of small-sized mechanized equipment.

At the same time, we should begin from the base provided by available equipment to vigorously promote technical innovation and a technical revolution, to utilize water and animal power, install transport bearings, realize semi-mechanization and increase the capacity to process goods.

9. Strengthen commercial work and properly organize the market. Commerce serves as an essential link between industry and agriculture, between cities and villages, and between production and consumption.

A well arranged system of commodity circulation is very important to the development of industrial and agricultural production and improvement of the life of the people.

We should perform well the work of purchasing and distributing commodities, and guarantee the fulfillment of targets set by the State for the commerce sector. We must also strengthen mutual assistance between the rural and urban areas, activate the rural markets and organize the daily exchange of commodities.

For the purpose of redressing a temporary and abnormal tense situation in the supply of some commodities, we should make great efforts to increase production and, at the same time, to practice economy, the latter should especially be done with respect to the saving of public spending, restriction on the number of workers, strict control on the use of loans and in the promotion of savings.

10. In all branches of industry and agriculture efforts should be made to strengthen labor organization, economize in the use of the labor force and raise the productivity of labor.

We should fully mobilize the masses, strengthen the work of political indoctrination, vigorously promote technical innovation and technical revolution, propagate advanced experience, reorganize labor organization, strengthen labor control, establish and perfect the various systems pertaining to production responsibility, adequately arrange for more economical use of the labor force and exploit its potential and reduce the employment of non-productive personnel in order to increase labor productivity.

Other economic departments, as well as cultural, educational and health departments should also comply with the targets prescribed in the plan in order to vigorously mobilize the masses and take all practical steps to ensure an all-out fulfillment of the plan.

Delegates: The 1959 economic plan for Szechwan Province envisages a great leap forward which far surpasses that of 1958. Our task is a glorious and demanding one. Once we are closely united under the leadership of the Party to press forward, to continue to enforce the mass line of relying on progressives, stirring up the mediocre workers and elevating the laggards, seriously extend the movement of increasing production and practicing economy, and incessantly pushing up the high tide of industrial and agricultural production, we shall certainly be able to successfully accomplish the 1959 plan and achieve a still greater victory.

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